



WSLCA Royalty Policy Working Group Conference

April 20-21, 2015

**Alamo Hall
San Antonio, TX**

Agenda

Monday April 20

Breakfast on your own

8:00 - 8:30 ***Conference Check-in at Alamo Hall***

8:30 - 8:45 Introductions & Objectives

8:45 - 10:15 **Gas Plant Accounting / Audit**
Mr. Donald Looney, CPA
PDI National Oil & Gas Accounting School Instructor

10:15 - 10:30 Break

10:30 - 12:00 Gas Plant Audit (continued)

12:00 - 1:30 **Lunch provided**
“Transformational Compliance - how organizations manage their total program and risk”
Mr. James Taylor, Managing Director
Grant Thornton LLP, Global Public Sector

1:30 - 2:20 **Office of Natural Resources Revenue Update**
Ms. Deborah Tschudy, Dep. Director

2:20 - 3:15 **Current Issues in Royalty Litigation**
Facilitated by: Mrs. Jannelle Combs,
Combs Law Office and Wolistarsky Law Office, P.L.L.C.

3:15 - 3:30 Break

3:30 - 5:00 **Current topics in Oil & Gas Audits**
Facilitated by: Mr. Bruce Dempsey
Grant Thornton LLP, Global Public Sector

5:00 - 5:45 **Alamo Presentation and Tour**
Dr. Richard Bruce Winders, Alamo Historian & Curator

Dinner on your own

Agenda

Tuesday April 21

Breakfast on your own

8:00 Alamo Hall opens

8:30 - 9:30 **Current Royalty Issues in Mining**
Mr. Jay M. Volk, Ph.D, Environmental Manager
BNI Coal

9:30 – 10:15 **National Association of Royalty Owners (NARO)**
Mr. Jerry Simmons, Executive Director

10:15 – 10:30 Break

10:30 - 12:00 **Standardized Royalty Data Sets**
Facilitated by: Mr. Taylor Lee, Director of Revenue
Compliance – ND Department of Trust Lands

Mr. Bill Evert, CPA, Partner, Business Advisory Services
Hein

Mr. Jeremy King, Managing Director, Cloud Solutions
Hein

12:00 Departure

Lunch on your own

Guest Speakers

Mr. Don Looney

Mr. Looney is a graduate of Oklahoma State University with a Bachelor and Master's Degree in Economics, adding an additional 30 hours of Accounting from the University of Tulsa. He is a CPA registered in Oklahoma and Texas, and is an Accredited Petroleum Accountant (APA), serving on the original Board of Examiners that set up the APA examination for the Council of Petroleum Accountants Societies (COPAS). Don has worked over thirty years in the oil and gas industry, retiring in 1996 from Hess Corporation as Manager of Revenue Accounting. Having taught for eighteen years for PDI, his primary teaching areas are Revenue Accounting and Basic Oil and Gas Accounting.



Mr. James Taylor

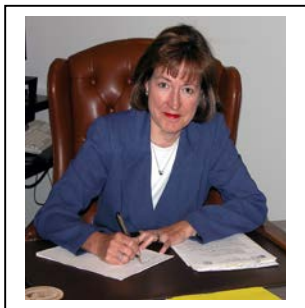


Mr. Taylor is a Managing Director in Grant Thornton's Global Public Sector practice, with 34 years of experience in government finance, systems implementation, internal controls and grants management. Immediately before joining Grant Thornton in June, 2014, he served as the IRS Commissioner's Senior Advisor on implementing the Affordable Care Act (ACA); prior to that he was a presidentially appointed, senate confirmed CFO at the Department of Labor. He also served as Deputy Inspector

General at DHS, as well as Deputy CFO at the Department of Commerce and FEMA. In 2004, Mr. Taylor led the team that drafted OMB Circular 123; and in his subsequent role as Deputy IG, worked with DHS in identifying a cost and resource-efficient approach to meet their legislative requirement for an internal controls audit opinion. Mr. Taylor led financial systems implementations at FEMA, Commerce and Labor, the latter being the first department-wide cloud based shared service financial system in the federal government. His teams also achieved the first clean audit opinions at FEMA and Commerce. Mr. Taylor was named CFO of the Year in 2011 by Government Executive Magazine, awarded the Donald E. Scantlebury Award for Excellence in Financial Management in 2005, and the Presidential Rank Award of Distinguished Executive in 2004. He

holds a BA in political science/economics from Old Dominion University, and an MPA from the University of Delaware, where he was a Public Service Fellow.

Ms. Deborah Gibbs Tschudy



Deborah Gibbs Tschudy serves as the Deputy Director of the Office of Natural Resources Revenue (ONRR) – an agency within the U.S. Department of the Interior. ONRR is responsible for the collection, disbursement, valuation, and audit of revenues associated with the leasing and production of minerals on Federal and American Indian lands with collections of an estimated \$10 billion annually.

During her career with the Department of Interior, Ms. Tschudy has directed regulatory and policy development in the areas of royalty valuation, Native American Indian trust management, hard rock mining, and information technology. From November 1992 to October 2000, Ms. Tschudy served as the agency's Chief, Royalty Valuation Division and oversaw the development of several valuation regulations governing Federal and Indian leases. From 2000 to 2004, she served as Program Director for ONRR's Audit and Compliance program providing leadership over ONRR's compliance activities including delegated and cooperative audit agreements with States and American Indian Tribes. As Deputy Director of ONRR, Ms. Tschudy oversees ONRR's operations in Lakewood, Colorado.

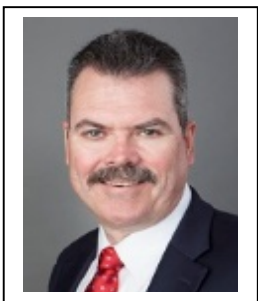
Ms. Tschudy is a recipient of the President's 2009 Rank Award for Meritorious Service and was chosen as the Colorado Federal Executive Board's 2011 Executive of the Year. She received a Bachelor of Arts in Mathematics from the University of Colorado and a Master of Science in Mineral Economics from the Colorado School of Mines.

Mrs. Jannelle Combs

Jannelle Combs is an attorney in Bismarck, North Dakota. She assists operators, non-operators and oil field service providers in oil and gas legal matters, including conducting oil and gas title examinations. Jannelle also assists mineral owners with actions or documents to cure title defects found from title examination. She is also of counsel with



Houston energy firm Wolistarsky Law Office, P.L.L.C. and the legal columnist for Petroleum News Bakken. In addition to her energy work, she assists real estate developers, corporations and individuals with their real estate, corporate and estate planning needs in North Dakota. A 1999 graduate of the University of North Dakota Law School, she has over a decade of legal experience in litigated and transactional matters. Jannelle is licensed to practice in North Dakota, Minnesota, Wyoming, Illinois, and South Dakota and is a member of the Landman's Association of North Dakota, American Association of Petroleum Landmen and Order of the Eastern Star. Jannelle is married to North Dakota's Director of Minerals Management Drew Combs, and they are parents to Ian, age 4, and Lily, age 3.



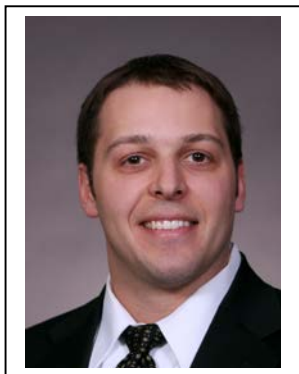
Mr. Bruce Dempsey

Bruce Dempsey is a Senior Manager in Grant Thornton's State and Local Audit practice. He is a skilled audit professional with more than 11 years of experience in working with state government monitoring program and regulatory compliance. He has a broad range of audit experience that includes financial and performance auditing, internal audit and compliance monitoring of grant funds, vendor contracts and royalty leases. Bruce has focused on bringing a traditional audit perspective and

associated techniques to government entities conducting contract compliance monitoring and program monitoring.

Prior to joining Grant Thornton, Bruce was a managing senior auditor with the Texas State Auditor's Office, where he led numerous complex performance audits and financial audits of public entities. Since joining Grant Thornton, Bruce has led a group of audit professionals directly responsible for assisted state government with performing over 100 grant closeout audits, performing continuous monitor of a statewide multi-million dollar service contract, and performing oil and gas royalty audits. Bruce holds professional credentials as a Certified Public Accountant (Texas) and Certified Internal Auditor. In addition to being well versed in Governmental Auditing, Bruce is a veteran of the United States Air Force, with over 20 years of service.

Mr. Jay Volk



Mr. Jay Volk is the Environmental Manager for BNI Coal where he has been employed for the last 10 years. His department's responsibilities include permitting, environmental compliance and monitoring, regulatory review, post mine reclamation, land management, geology, leasing, and landowner relations. Aside from BNI, Jay is actively involved in multiple boards, committees, and technical review panels ranging from the Mandan School Board to numerous reclamation panels and research program technical reviews.

Prior to BNI Coal, Jay was actively involved in numerous research projects across ND and has worked as a consultant. Jay received a Ph.D. in Natural Resource Management, specializing in landscape ecology, soils and hydrology from North Dakota State University. Jay currently resides in his hometown of Mandan ND.

Mr. Jerry Simmons

Jerry R. Simmons is currently the Executive Director of the National Association of Royalty Owners (NARO) headquartered in Tulsa, Oklahoma. Before joining NARO in January of 2006 he spent the previous seven years as President of EnergyTech Group, Inc. in Bartlesville, Oklahoma providing technical support services to the U.S. Department of Energy's Strategic Center for Natural Gas and Oil. Jerry was previously employed with TRW/BDM as Principal Environmental Engineer/Regulatory and Policy Analyst. He also served as Associate Executive Director of the Interstate Oil and Gas Compact Commission. Mr. Simmons served as Chairman of the Society of Petroleum Engineers (SPE) Health Safety and Environment Technical Committee in 1993 and on the SPE Reprint Series Committee from 2003-2006. He is the author of two SPE technical papers and numerous studies on state oil and gas environmental regulatory programs.



Jerry holds a degree in Geology from the University of Oklahoma and has worked as an exploration and production geologist for Hamilton Brothers Oil Company, O.I.L. Energy, Texas Oil and Gas and BHP Americas. Jerry is on the Board of Directors of the Domestic Energy Producers Alliance and the Council for a Secure America. He serves as Executive Vice President to the Royalty Owners and

Producers Educational Coalition and is also a veteran of the US Air Force. Jerry was presented with the International Energy Advocates 2012 “Energy Advocate of the year” award.



Mr. Taylor Lee

Taylor is currently the Director of Revenue Compliance for the North Dakota Department of Trust Lands. His responsibilities include ensuring royalties and rentals are appropriately accounted, audit of royalty sources, and collaborating with Management and the Mineral’s Division on policy and procedures, lease analysis, and internal controls. Taylor’s current major projects include correcting royalty issues within the Missouri River Ordinary High Water Mark, revamping the

Department’s royalty data collection program, and a driver in the WSLCA Standardized Data set.

Prior to his current position, he was employed with the North Dakota Department of Financial Institutions conducting safety and soundness examinations on Financial Institutions. He also worked for New York Life assisting individuals with financial planning. He is a US Air Force Veteran serving in Saudi Arabia and South Korea.

Taylor holds a Bachelors in Finance and a Masters in Applied Economics both from the University of North Dakota. He is also a Certified Internal Auditor and Certified Financial Services Auditor. Taylor resides in balmy Bismarck, North Dakota with his wife, Kirsten, and English Springer Spaniel, Lucy.

Mr. Bill Evert

Bill Evert is a CPA and Partner for Hein as part of their Business Advisory Services group. Bill has more than 21 years of public accounting and consulting experience, and specializes in financial reporting, consulting, and Service Organization Control (SOC) for both public and private companies in a variety of industries. He provides non-attest public company clients with the scoping, implementation, documentation, remediation and reporting requirements of SOX



404, and was instrumental in developing the Hein Service Organization Controls methodology and training seminars. He also assists clients with business planning, as well as mergers and acquisitions. In addition, Bill was the founder and CEO of a multi-state manufacturing and leasing company where he obtained an appreciation of the non-accounting issues business leaders deal with on a daily basis.

Bill has developed a focus in the energy, extractive, and manufacturing and distribution industries. He is a frequent speaker on topics such as SOC, SOX 404 and emerging FASB and GAAP issues. His speaking engagements include the AICPA, National Advanced Accounting of Auditing Technical Symposium, North American Petroleum Accounting Conference, the Rocky Mountain Mineral Law Symposium, the Denver Colorado Executive Leadership Forum, Securities Law Section of the Colorado Bar Association, and the Denver Chapter of Financial Executives International.



Mr. Jeremy King

Jeremy King is the Director of Cloud Solutions for Hein as part of Business Advisory Services located in the firm's Denver office. His broad finance background and hands-on experience as a CFO and COO give him a unique perspective and insight to predict problems from the client's point of view and provide optimized solutions. Jeremy supports clients in the areas of NetSuite, Adaptive Planning, Box and TribeHR

implementations and optimization. His focus is in the energy, manufacturing, distribution, service and technology industries.

Prior to joining Hein, Jeremy was the CFO of a publicly traded software company, the CFO/COO of a privately held e-commerce company and the Vice President, Finance for a large financial services firm. Additionally, Jeremy spent the early part of his career in investment banking and corporate development where he raised over \$1 billion in capital and completed over 70 M&A transactions with a total transaction value of over \$920 million.

Jeremy is an accomplished author and speaker whose articles on cloud computing have been published in numerous publications including the Denver Business Journal and Accounting Today. Jeremy received his bachelor's degree in economics from the University of California, Los Angeles.

Thank you for attending!



***“A nationally recognized voice for
prudent land management”***

OUR MISSION...

To create value for our beneficiaries through leadership, education and sound land management.

OUR HISTORY...

The Western States Land Commissioners Association (WSLCA) was created in 1949 as a forum for western land managers to learn from each other and educate the public about our broad administrative responsibilities.

Today, our members and affiliates include states, industry leaders and conservation organizations who manage over 400 million acres of surface & subsurface ownership, rivers & coastal waterways. Sound land management stimulates the economy with expenditures and jobs and results in financial resources that total hundreds of billions of dollars for shareholders & beneficiaries such as public schools, educational systems and mental health institutions.

LEARN MORE ABOUT WSLCA...

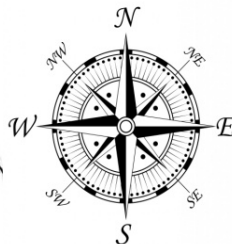
www.WSLCA.org

Excellence ~ Collaboration ~ Integrity ~ Stewardship

Special thanks to conference sponsor:



Grant Thornton



Emily Morgan
Hotel

Avenue E

Third Street

Gallagher Parking Area
for Alamo employees'

Gallagher
House

Gate 2
Entrance

Houston Street

Dead End Houston street area

Gate 3

Employee Parking

CAVALRY
COURTYARD

Convento Courtyard

MUSEUM
and
SOUVENIRS

ACEQUIA

Cactus Garden

ALAMO
SHRINE

Education Arbor/Amphitheater

Bonham Street

Alamo Plaza

Gate #1

Front of Shrine area

Front of Shrine area

Grassy Area

Grassy Area

Gate #4

Gate 6
Entrance

LIBRARY

Alamo Hall
Patio

Alamo
Hall

Gate 5

Crockett Street

THE ALAMO SAN ANTONIO, TEXAS